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May 13, 2009

VIA HAND DELIVERY - RETURN COPY

Hon. Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

ENTERED
Office of Proceedings
MAY 13 2009
Part of
Public Record

Dear Secretary Quinlan:

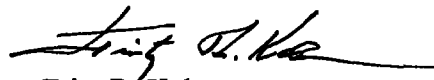
Enclosed for filing in STB Finance Docket No. 35247, Grenada Railway, LLC--
Acquisition and Operation Exemption--Illinois Central Railroad Company and Waterloo
Railway Company, are the original and ten copies of the Notice of Exemption of Grenada
Railway, LLC..

This firm's check for \$1,800 in payment of the filing fee is attached.

Additional copies of this letter and of the Notice are enclosed for you to stamp to
acknowledge your receipt of them.

If you have any question concerning this filing or if I otherwise can be of
assistance, please let me know.

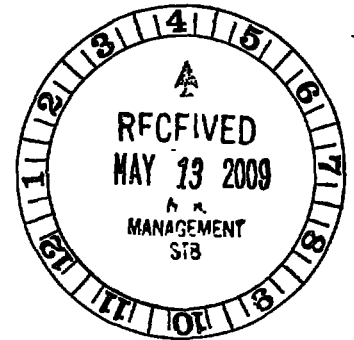
Sincerely yours,



Fritz R. Kahn

SURFACE TRANSPORTATION BOARD
WASHINGTON, DC

ORIGINAL



STB Finance Docket No. 35247

GRENADA RAILWAY, LLC
--ACQUISITION AND OPERATION EXEMPTION--
ILLINOIS CENTRAL RAILROAD COMPANY and
WATERLOO RAILWAY COMPANY

NOTICE OF EXEMPTION

ENTERED
Office of Proceedings

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Public Record

FEE RECEIVED

MAY 13 2009

**SURFACE
TRANSPORTATION BOARD**

Fritz R. Kahn
Fritz R. Kahn, P.C.
1920 N Street, NW (8th fl.)
Washington, DC 20036
Tel.: (202) 263-4152

Attorney for

GRENADA RAILWAY, LLC

Dated: May 13, 2009

FILED

MAY 13 2009

**SURFACE
TRANSPORTATION BOARD**

**SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

STB Finance Docket No. 35247

**GRENADA RAILWAY, LLC
--ACQUISITION AND OPERATION EXEMPTION--
ILLINOIS CENTRAL RAILROAD COMPANY and
WATERLOO RAILWAY COMPANY**

NOTICE OF EXEMPTION

Grenada Railway, LLC ("Grenada"), a non-carrier, pursuant to 49 C.F.R. §1150.31, respectfully requests the Board's authorization to acquire and operate lines of the Illinois Central Railroad Company ("ICR") and Waterloo Railway Company ("WLOO"), and in support thereof provides the following information:

(a) Full name and address of the applicant

**Grenada Railway, LLC
2200 E. Camelback Rd. (Ste. 101)
Phoenix, AZ 85016**

(b) Name, address and telephone number of applicant's representative

**Fritz R. Kahn
Fritz R. Kahn, P.C.
1920 N Street, NW (8th fl.)
Washington, DC 20036
Tel.: (202) 263-4152**

(c) Agreement

**An Asset Purchase Agreement has been reached between Grenada, ICR
and WLOO.**

(d) Operator of property

Grenada will be the operator of the acquired railroad lines.

(e) Summary of the proposed transaction.

(1) The names and addresses of the transferring railroads

Illinois Central Railroad Company
17641 South Ashland Avenue
Homewood, IL 60430

Waterloo Railway Company
17641 South Ashland Avenue
Homewood, IL 60430

(2) Consummation date

The proposed transaction is expected to be consummated on or after 30 days from the date of the filing of this Notice of Exemption.

(3) Milepost designations

The line which Grenada seeks to acquire from ICR extends between Milepost 403.0 at Southhaven, MS, and Milepost 703.8 near Canton, MS, and the connecting line which Grenada seeks to acquire from WLOO extends between Milepost 603.0 at Water Valley Junction, MS, and Milepost 614.42 at Bruce Junction, MS.

(4) Total route miles being acquired

The line being acquired from ICR is approximately 175.4 miles long,¹ and the line being acquired from WLOO is approximately 11.42 miles long.

¹ Milepost equation at Grenada, MS: ICR Milepost 491.09 = ICR Milepost 616.49.

(f) Maps

Maps showing the lines to be acquired, their origins, termini, stations, cities, counties and states are attached as Exhibit A.

(g) Revenue certifications

Grenada certifies that as a result of the proposed transaction it will be neither a Class II nor Class I railroad but will be a Class III railroad. Grenada further certifies that projected annual revenue upon Grenada's being created a Class III railroad under this exemption will not exceed \$5 million.

(h) Environmental and historic impacts

Grenada does not anticipate that there will be any significant changes in operations on the acquired lines of railroad. No environmental documentation is required, because the thresholds of 49 C.F.R. 1105.7(e) (4) or (5) will not be exceeded. Under 49 C.F.R. 1105.8(b)(1) Grenada's proposed acquisition of the lines is exempt from historic preservation reporting requirements. Grenada will not dismantle or disturb any structure over 50 years old, and will not do so without complying with section 106 of the National Historic Preservation Act, 16 U.S.C. §470.

(i) Employee protection

No labor protection may be imposed on the proposed transaction. See 49 U.S.C. 10901(c).

(j) Incidental operating rights

ICR has granted Grenada the right to operate on its tracks to Memphis on the north and to Canton on the south for the sole purpose of interchanging traffic with ICR.

(k) Retained overhead trackage rights

ICR will retain overhead trackage rights on the line of railroad it is selling to Grenada. Such retention of rights does not require separate Board authorization. See BNSF Ry. Co.--Trackage Rights--Portland & Western R., Inc. 6 S.T.B. 507, 508-509 (2003).

(l) Related transaction

Contemporaneously with the filing of this Notice of Exemption, there will be filed with the Board the Notice of Exemption in STB Finance Docket No. 35249, Kern W. Schumacher--Continuance in Control Exemption--Grenada Railway, LLC and Natchez Railway, LLC.

(m) Federal Register notice

A draft Federal Register notice is attached as Exhibit B.

(n) Miscellaneous

The agreement between Grenada, ICR and WLOO neither prohibits nor penalizes Grenada for interchanging traffic with a third-party railroad.

No solid waste transfer station is on the lines being acquired by Grenada.

Respectfully submitted,

GRENADA RAILWAY, LLC

By its attorney,



Fritz R. Kahn

Fritz R. Kahn, P.C.

1920 N Street, NW (8th fl.)

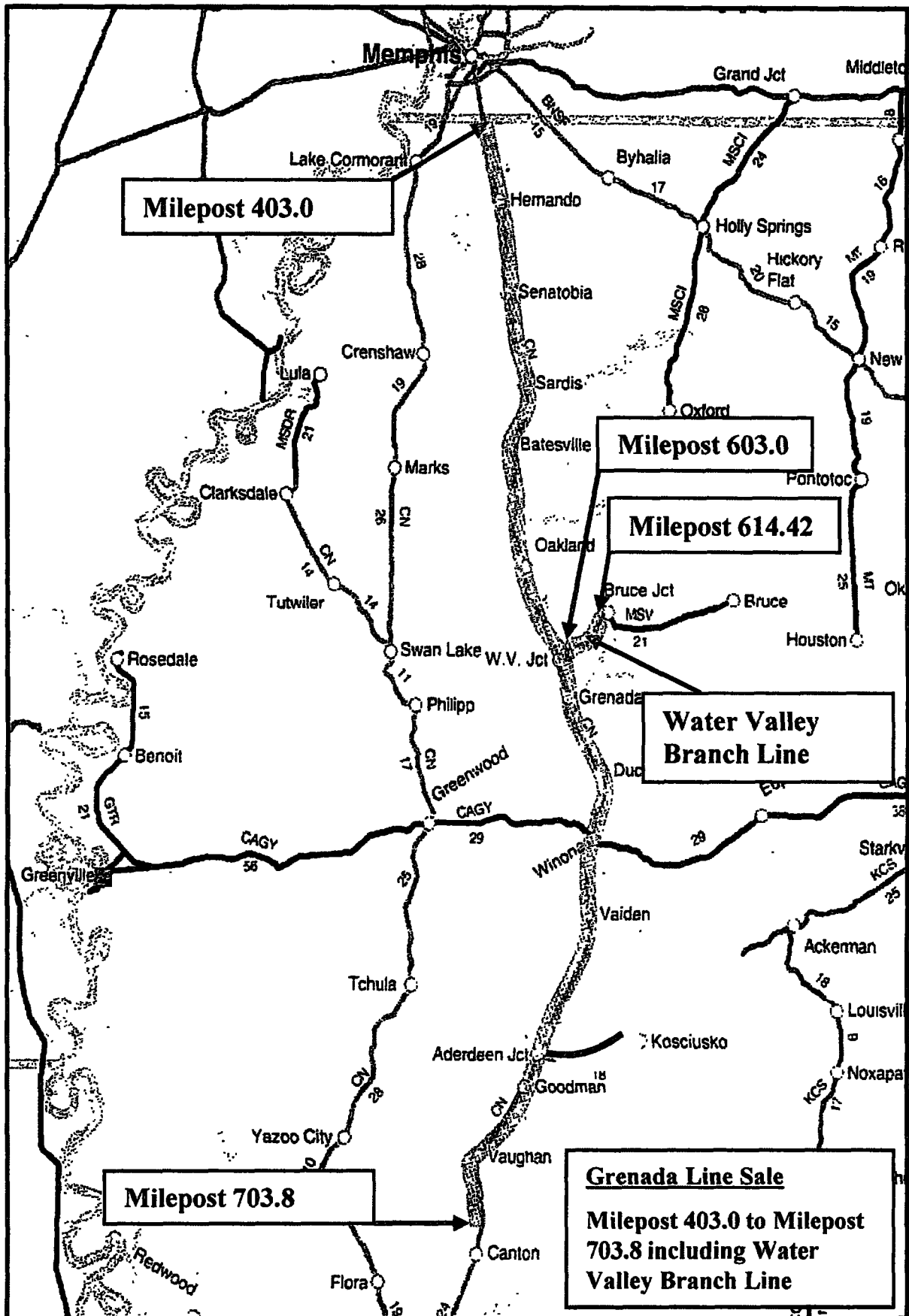
Washington, DC 20036

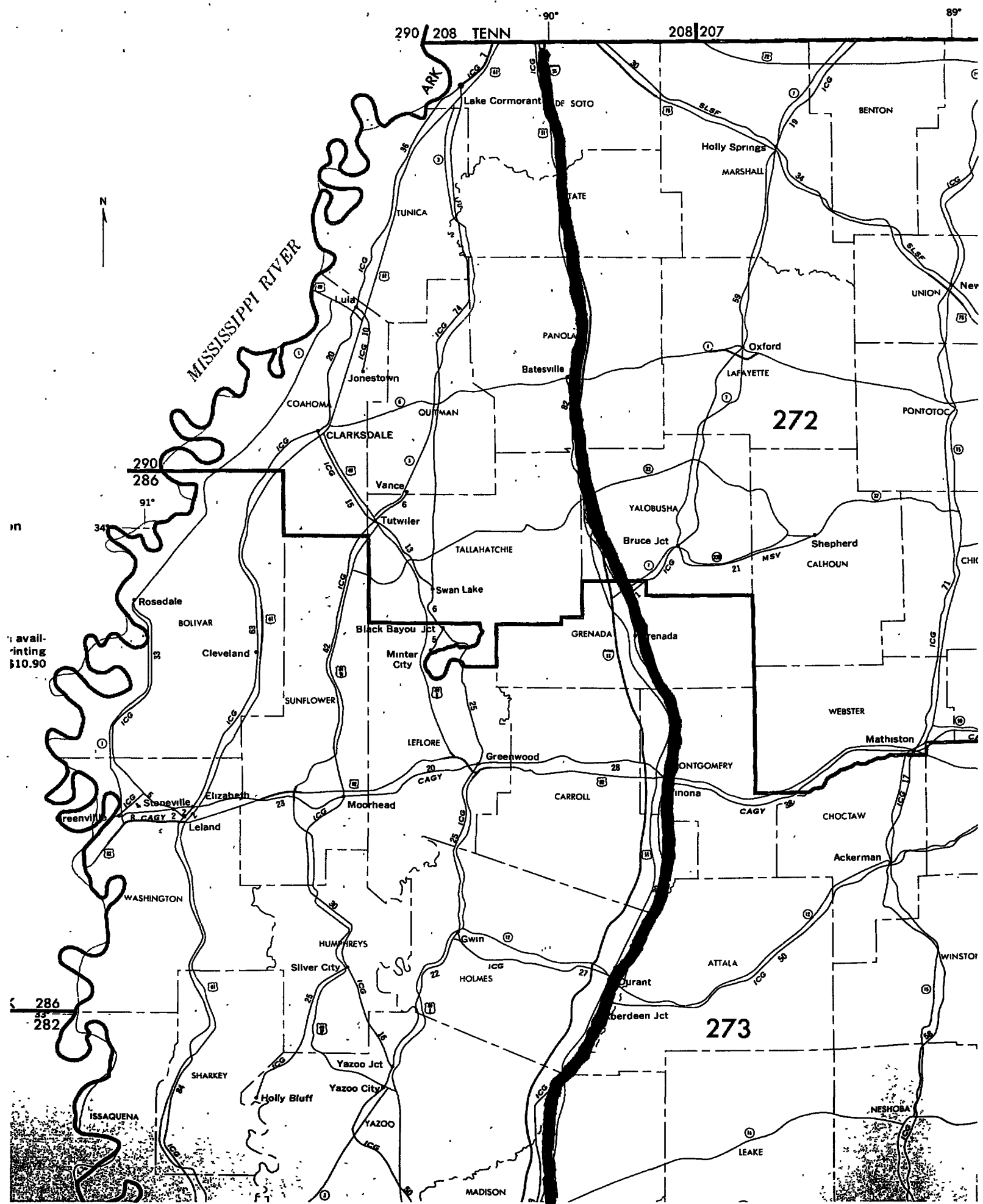
Tel.: (202) 263-4152

Dated: May 13, 2009

Map

Exhibit A





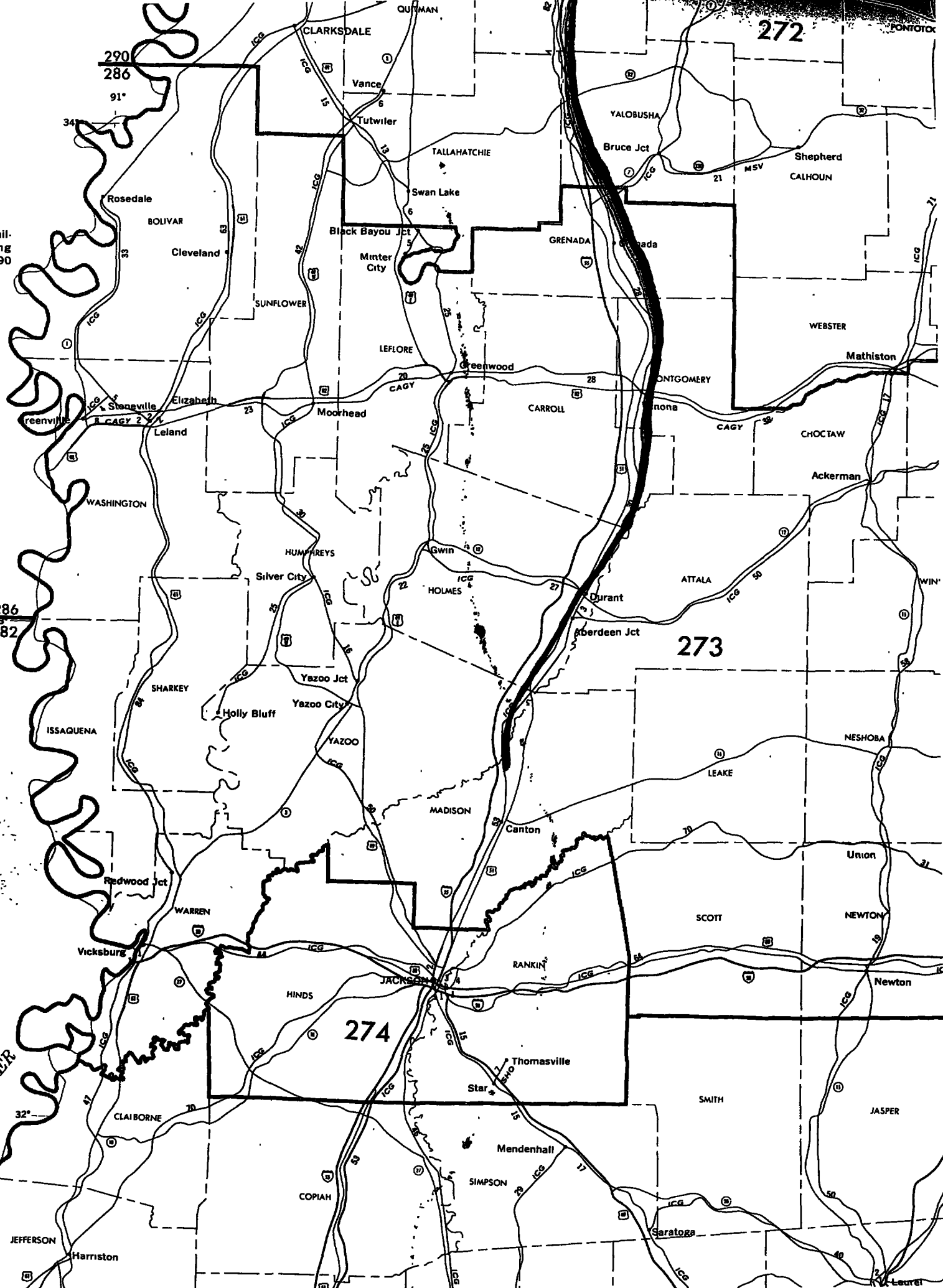
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Maps available
at Printing
price \$10.90

ARK 286
LA 282

PI RIVER

U



272

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274

EXHIBIT B

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

STB Finance Docket No. 35247

**GRENADA RAILWAY, LLC
--ACQUISITION AND OPERATION EXEMPTION--
ILLINOIS CENTRAL RAILROAD COMPANY and
WATERLOO RAILWAY COMPANY**

Grenada Railway, LLC, a non-carrier, has filed a notice of exemption to acquire from Illinois Central Railroad Company a line of railroad extending between Milepost 403.0 at Southhaven, MS, and Milepost 703.8 near Canton, MS and from Waterloo Railway Company a line of railroad extending from Milepost 603.0 at Water Valley Junction, MS, and Milepost 614.42 at Bruce Junction, MS.

Comments must be filed with the Board and served on Fritz R. Kahn, Fritz R. Kahn, P.C., 1920 N Street, NW (8th fl.), Washington, DC 20036 Tel.: (202) 263-4152.

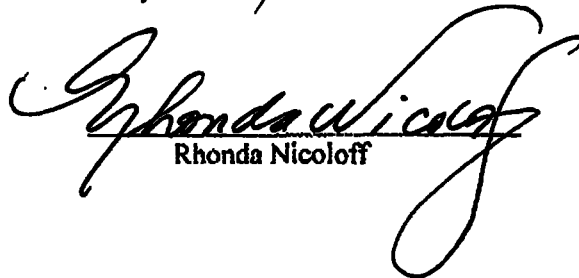
This transaction is related to STB Finance Docket No. 35249, Kern W. Schumacher--Continuance in Control Exemption--Grenada Railway, LLC and Natchez Railway, LLC, wherein Mr. Schumacher contemporaneously has filed a notice of exemption to continue in control of Grenada Railway, LLC upon its becoming a Class III rail carrier.

This notice is filed pursuant to 49 C.F.R. §1150.31. If the notice contains false or misleading information, the exemption is void *ab initio*. The filing of a petition to revoke will not automatically stay the transaction.

VERIFICATION

I, Rhonda Nicoloff, President of Grenada Railway, I.L.C., declare under penalty of perjury, under the laws of the United States of America, that I have read the foregoing Notice of Exemption and that its assertions are true and correct to the best of my knowledge, information and belief. I further declare that I am qualified and authorized to submit this verification on behalf of Grenada Railway, LLC. I know that willful misstatements or omission of material fact constitute Federal criminal violations punishable under 18 U.S.C. 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable as perjury under 18 U.S.C. 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

Dated at Salt Lake City, UT, this 11th day of May 2009.


Rhonda Nicoloff

SURFACE TRANSPORTATION BOARD